WPG Holdings

WPG Holdings Ltd.
(3702.TT/3702.TW)
3Q20 Earning Release

Nov. 30th, 2020

Safe Harbor Notice

- **These forward-looking statements, which may include statements regarding WPG' future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WPG' current expectations.**

- **Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the IC industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.**

- **Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.**

Agenda

Welcome	
3Q20 Financial Highlights	**Cliff Yuan**
Q&A	**Scott Lin/ Cliff Yuan**

Result Highlights

Unit:NT$million

item	3Q20	2Q20	3Q19	*QoQ(%)*	*YoY(%)*	Ytd20	Ytd19	*YoY(%)*
Net Sales	169,987	149,811	140,821	13.5	20.7	450,842	381,829	18.1
Gross Margin	3.62%	3.93%	4.25%	-31 bp	-62 bp	3.84%	4.36%	-52 bp
Operating Expenses	(3,398)	(3,313)	(3,430)	2.6	(0.9)	(9,793)	(9,442)	3.7
Operating Income	2,759	2,574	2,550	7.2	8.2	7,524	7,198	4.5
Operating Margin	1.62%	1.72%	1.81%	-10 bp	-19 bp	1.67%	1.89%	-22 bp
Net Income	2,257	2,120	1,785	6.4	26.5	6,036	4,718	27.9
EPS (NT$)(1)	1.34	1.19	1.06			3.53	2.81	
Net Book Value (NT$)(1)	31.95							
Total Assets	234,450	239,439	219,169			234,450	219,169	
Total Liabilities	170,301	176,310	153,886			170,301	153,886	
Total Equity	64,149	63,129	65,282			64,149	65,282	
Net Working Capital	100,973	121,017	113,730			100,973	113,730	
Free Cash Flow	20,210	(925)	(7,627)			18,977	(2,412)	
KEY Indices(2)								
ROWC	*10.9%*	*8.5%*	*9.0%*	+242 bp	+196 bp	*9.9%*	*8.4%*	+150 bp
NWC/Sales	*0.15*	*0.20*	*0.20*			*0.17*	*0.22*	
ROE	*14.2%*	*13.5%*	*12.0%*	+76 bp	+222 bp	*12.7%*	*10.6%*	+210 bp
Gearing	1.12	1.33	1.01			1.12	1.01	
(1).Weighted average common shares outstanding	1,679	1,679	1,679			1,679	1,679	

(2).Annualized

Statements of Comprehensive Income

Unit:NT$million

Item	3Q20	2Q20	QoQ(%)	3Q19	YoY(%)	Ytd20	Ytd19	YoY(%)
Revenue	169,987	149,811	13.5	140,821	20.7	450,842	381,829	18.1
COGS	(163,830)	(143,923)	13.8	(134,842)	21.5	(433,525)	(365,188)	18.7
Gross Profit	6,157	5,887	4.6	5,979	3.0	17,317	16,640	4.1
Gross Margin	3.62%	3.93%		4.25%		3.84%	4.36%	
Operating Expenses	(3,398)	(3,313)	2.6	(3,430)	(0.9)	(9,793)	(9,442)	3.7
Operating Income	2,759	2,574	7.2	2,550	8.2	7,524	7,198	4.5
Operating Margin	1.62%	1.72%		1.81%		1.67%	1.89%	
Net Non-operating Items	48	2	2,208.5	(331)	NM	(135)	(1,128)	(88.0)
Net Financing costs	(418)	(484)	(13.5)	(562)	(25.5)	(1,477)	(1,719)	(14.1)
Foreign Exchange Gains/Losses	155	165	(5.8)	136	13.9	617	444	39.0
Others	311	321		94		724	147	
Profit Before Tax	2,807	2,576	9.0	2,219	26.5	7,389	6,070	21.7
Tax	(522)	(436)	19.6	(421)	24.0	(1,298)	(1,317)	(1.4)
Minority	(28)	(20)		(13)		(55)	(35)	
Profit After Tax	2,257	2,120	6.4	1,785	26.5	6,036	4,718	27.9
Net Margin	1.33%	1.42%		1.27%		1.34%	1.24%	
EPS (NT$)(1)	1.34	1.19		1.06		3.53	2.81	
Tax %	19%	17%		19%		18%	22%	
(1).Weighted average common shares outstanding	1,679	1,679		1,679		1,679	1,679	

Balance Sheet

Unit:NT$million	3Q20		2Q20		3Q19	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash & Marketable Securities	13,048	*6*	12,693	*5*	9,634	*4*
Accounts Receivable - Trade	113,513	*48*	111,497	*47*	107,573	*49*
Inventory	56,721	*24*	69,940	*29*	69,859	*32*
Current Assets	200,700	*86*	208,643	*87*	202,818	*93*
Others	33,749	*14*	30,795	*13*	16,351	*7*
Total Assets	234,450	*100*	239,439	*100*	219,169	*100*
Current Interest-bearing Debt	61,333	*26*	79,256	*33*	68,091	*31*
Accounts Payble	69,261	*30*	60,420	*25*	63,702	*29*
Accrued Liabilities and Others	12,315	*5*	16,216	*7*	12,264	*6*
Current Liabilities	142,909	*61*	155,892	*65*	144,057	*66*
Long-term Interest-bearing Debt	24,647	*11*	18,507	*8*	7,645	*3*
Others	2,745	*1*	1,911	*1*	2,184	*1*
Total Liabilities	170,301	*73*	176,310	*74*	153,886	*70*
Total Equity	64,149	*27*	63,129	*26*	65,282	*30*
KEY Indices(1)						
Net Working Capital (NT$million)	100,973		121,017		113,730	
AR Turnover (Days)	*60*		*67*		*65*	
Inventory Turnover (Days)	*35*		*48*		*46*	
AP Turnover (Days)	*36*		*42*		*40*	
Average Collection Periods (Days)	*60*		*73*		*71*	
Current Ratio	*140%*		*134%*		*141%*	
Gearing	*1.12*		*1.33*		*1.01*	

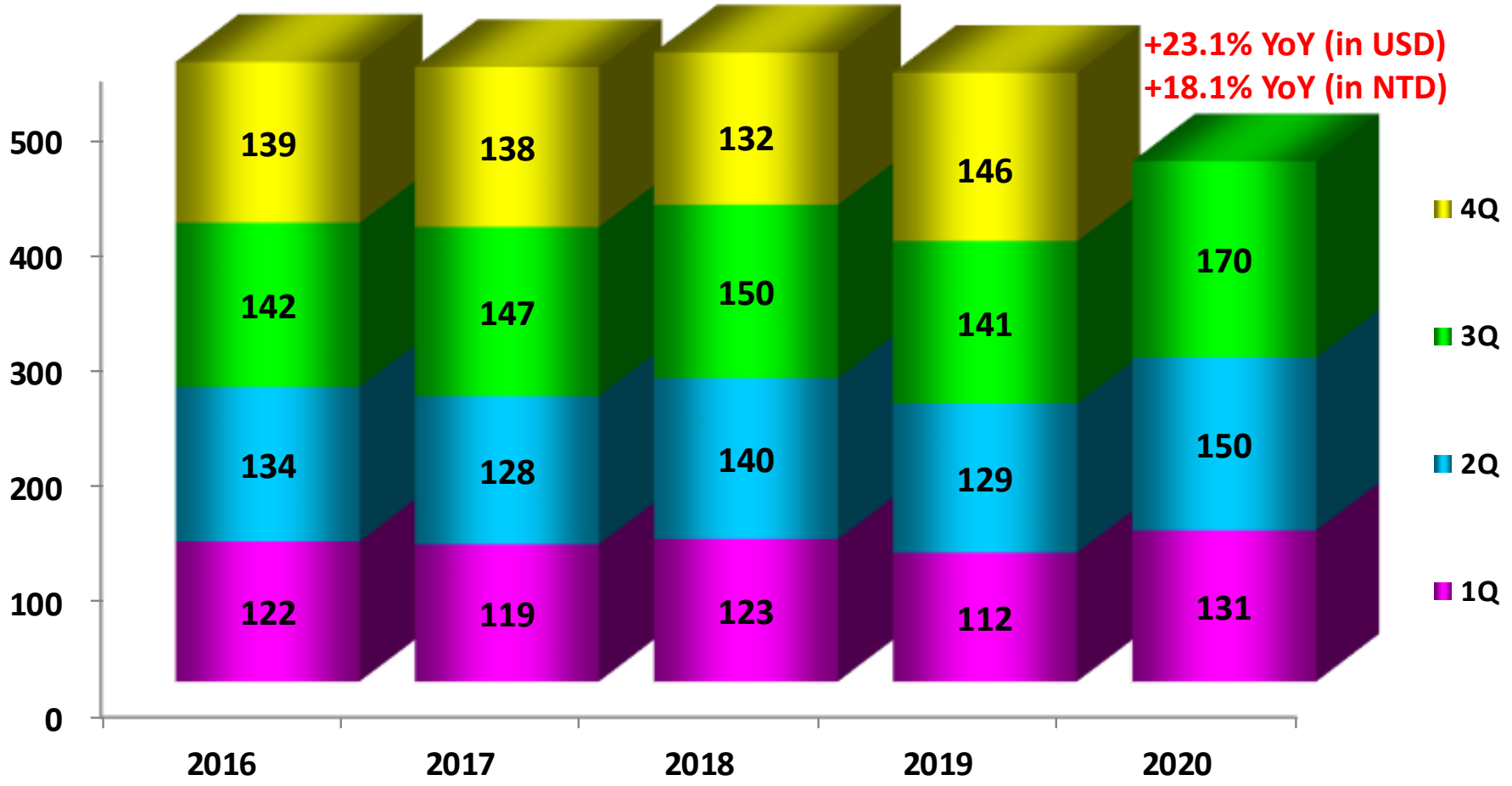
(1).Annualized

Cash Flows

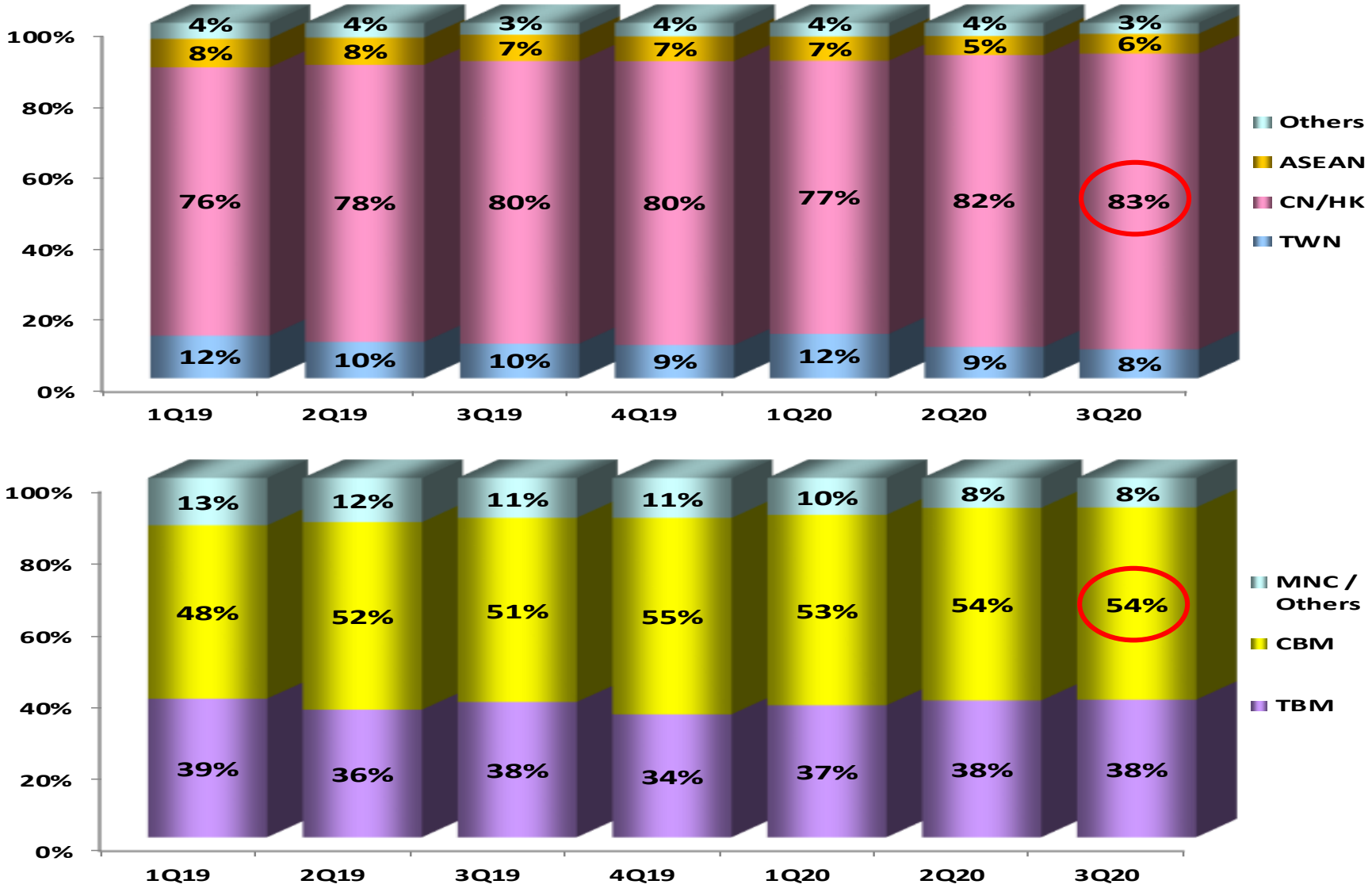
Unit:NT$million	3Q20	2Q20	3Q19	Ytd20	Ytd19
-Income before Income Tax	2,807	2,576	2,219	7,389	6,070
-Changes of NWC	20,031	(2,312)	(8,991)	15,638	(3,875)
-Adjustment & Others	(2,628)	(1,189)	(855)	(4,050)	(4,607)
From Operation	**20,210**	**(925)**	**(7,627)**	**18,977**	**(2,412)**
-Other Financial Instruments	(342)	17	(127)	247	39
-Capital Expenditure	(210)	(269)	(120)	(5,565)	(243)
-Marketable Financial Instruments	(399)	(66)	-	(453)	(70)
-Others	(1,505)	0.5	18	(1,550)	(11)
From Investment	**(2,456)**	**(317)**	**(229)**	**(7,322)**	**(284)**
-Financial Debt	(11,783)	2,623	6,131	(1,300)	(300)
-Cash Dividends	(4,145)	-	(4,533)	(4,145)	(4,533)
-Preferred Shares	-	-	9,995	-	9,995
-Others	6	(66)	(122)	(172)	(350)
From Financing	**(15,922)**	**2,557**	**11,470**	**(5,617)**	**4,811**
Cumulative translation adjustments	**(1,528)**	**(1,893)**	**(177)**	**(3,078)**	**368**
Net Cash Position Change	**305**	**(579)**	**3,437**	**2,961**	**2,483**
Ending Cash Balance	**12,953**	**12,649**	**9,600**	**12,953**	**9,600**

Consolidated Revenue

Unit: NT$billion

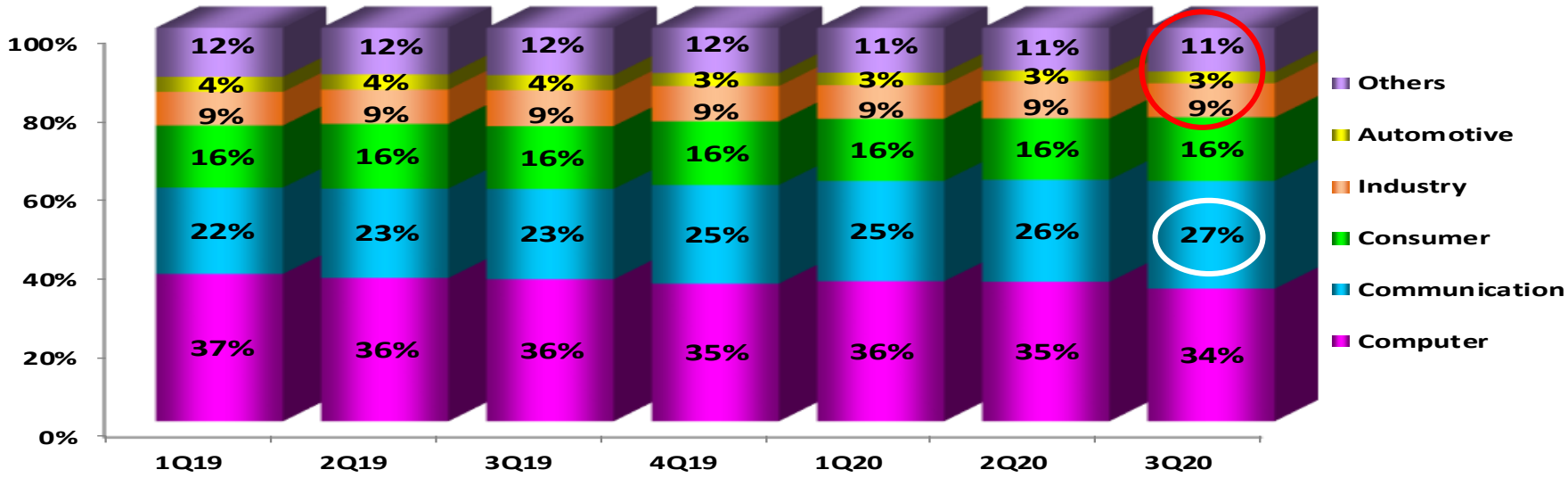


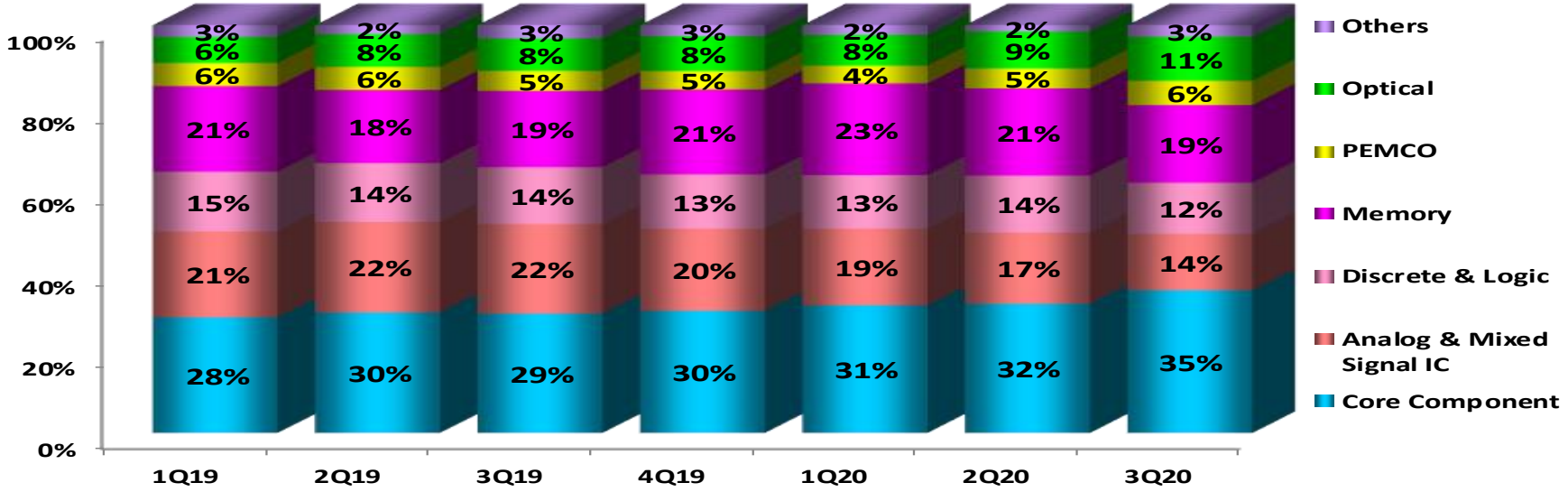
Sales breakdown by Geography/ Customer



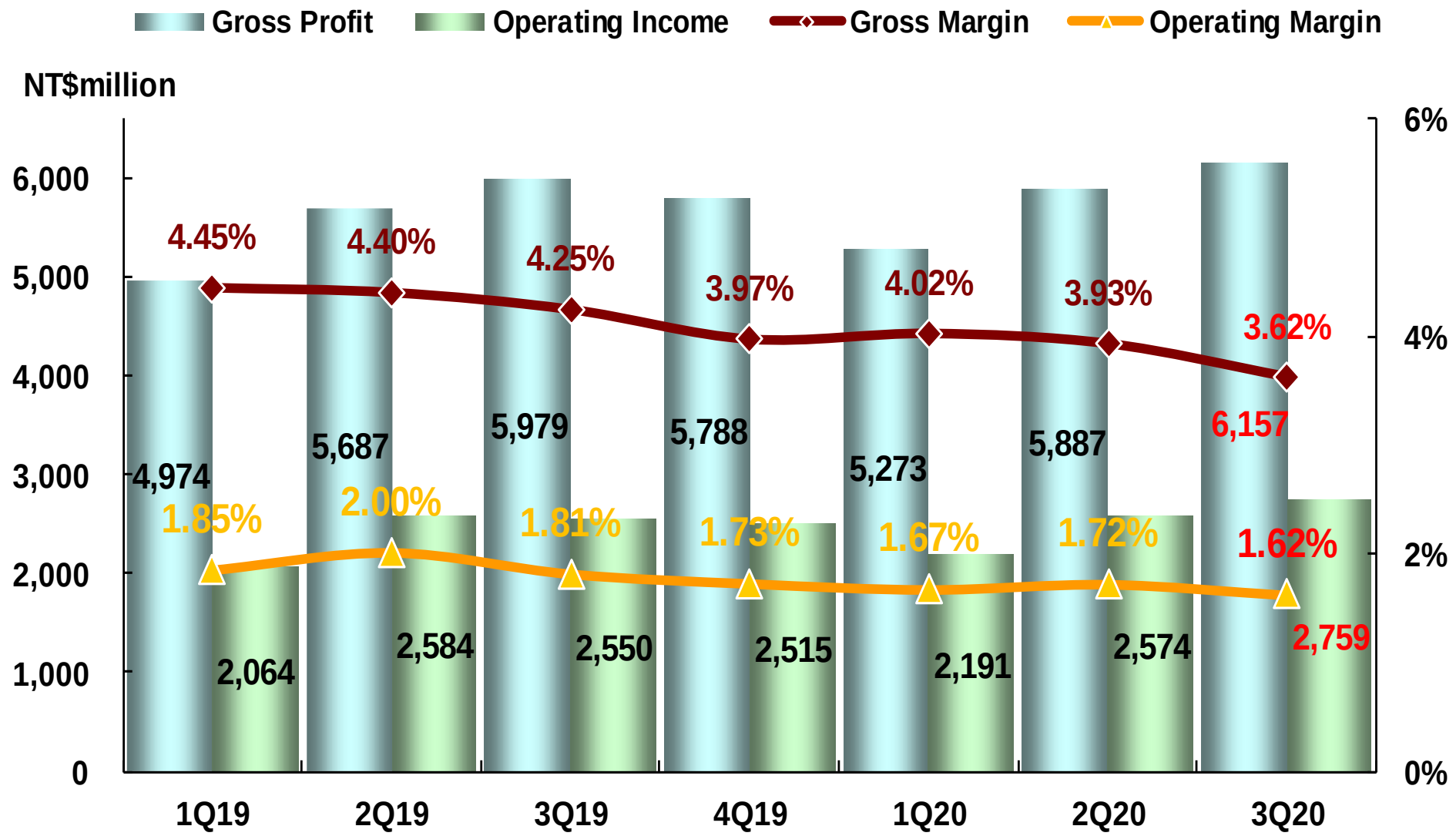
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type

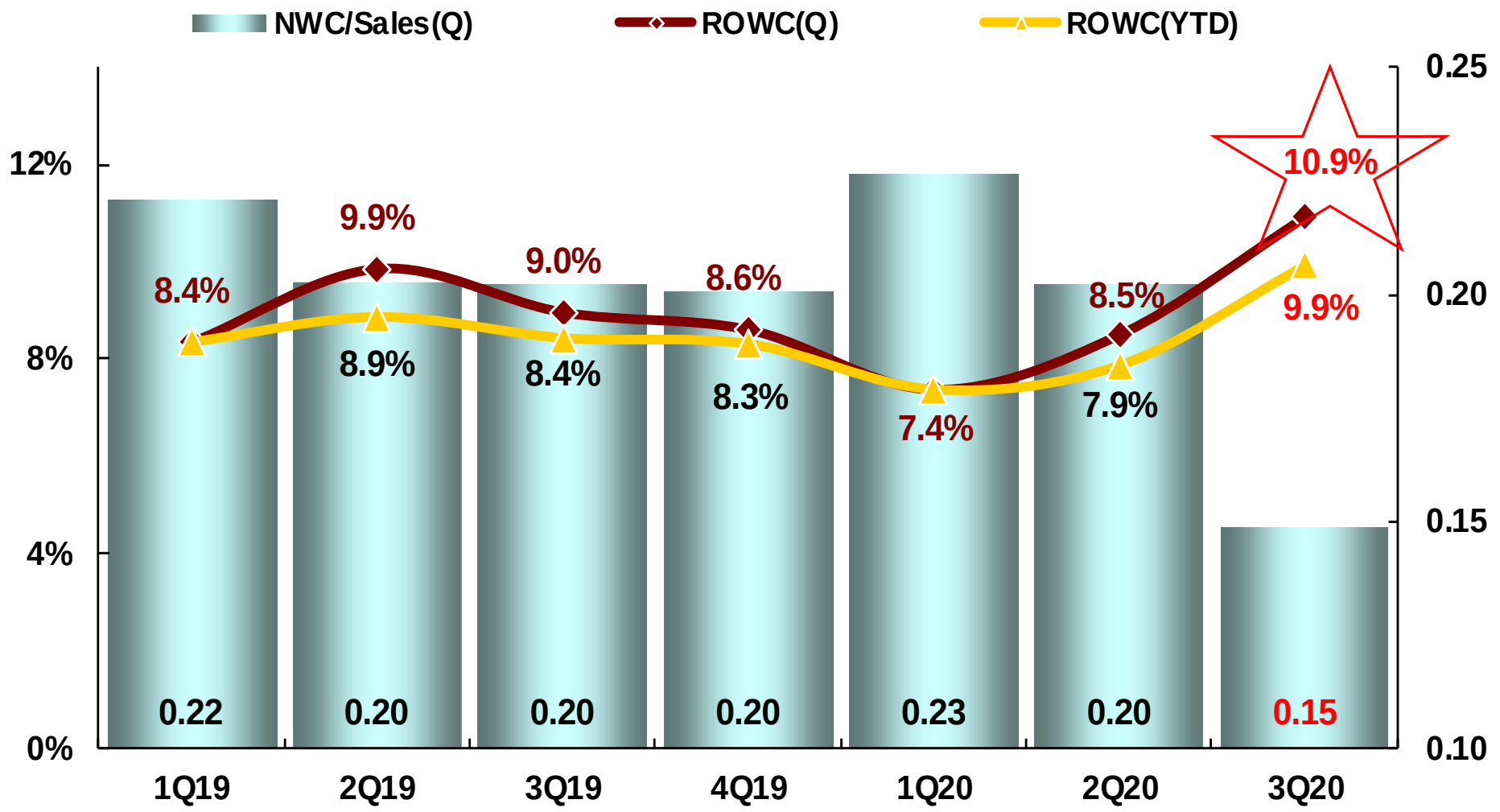




Gross Margin vs. Operating Margin

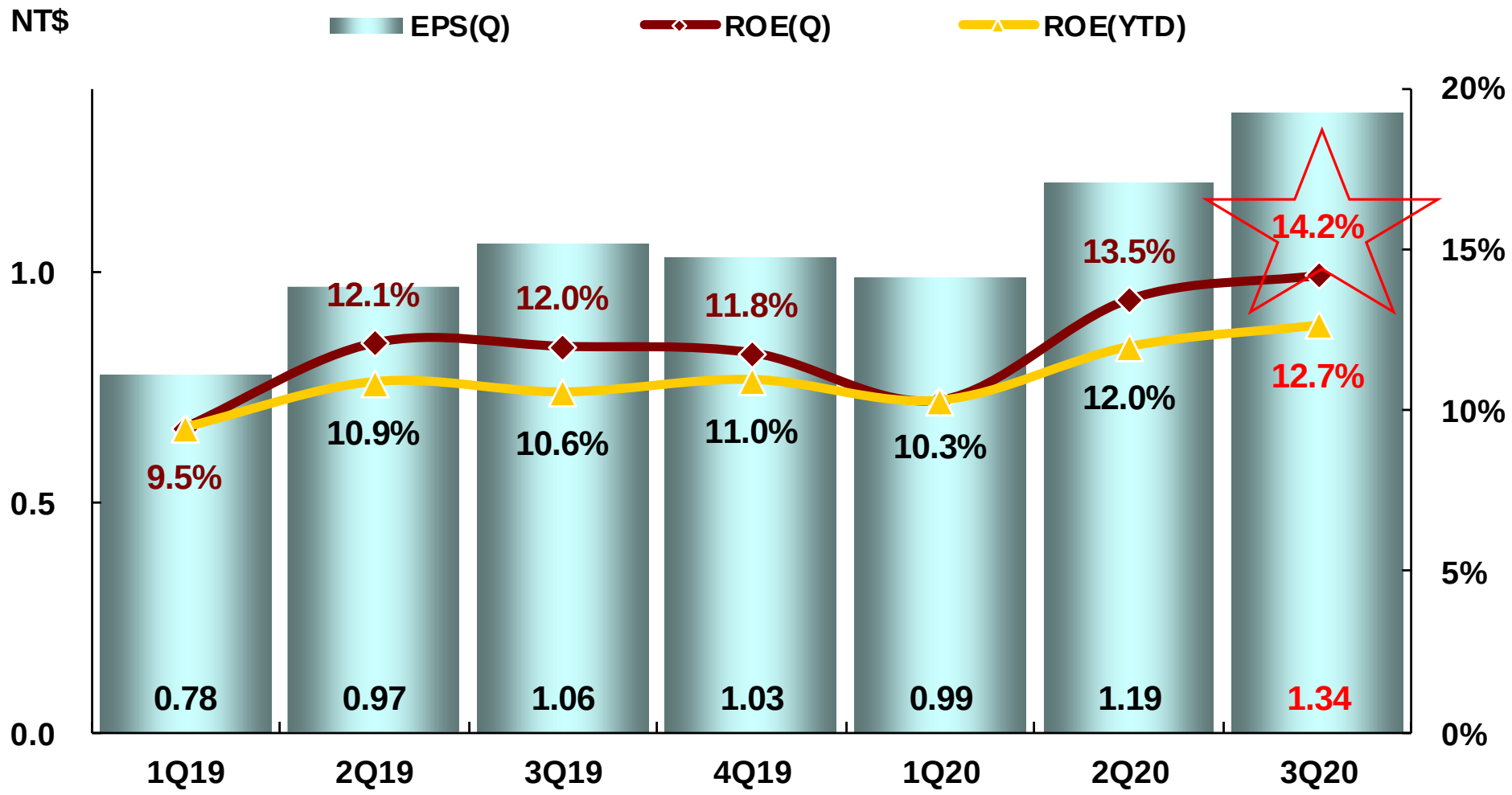


ROWC vs. NWC/Sales



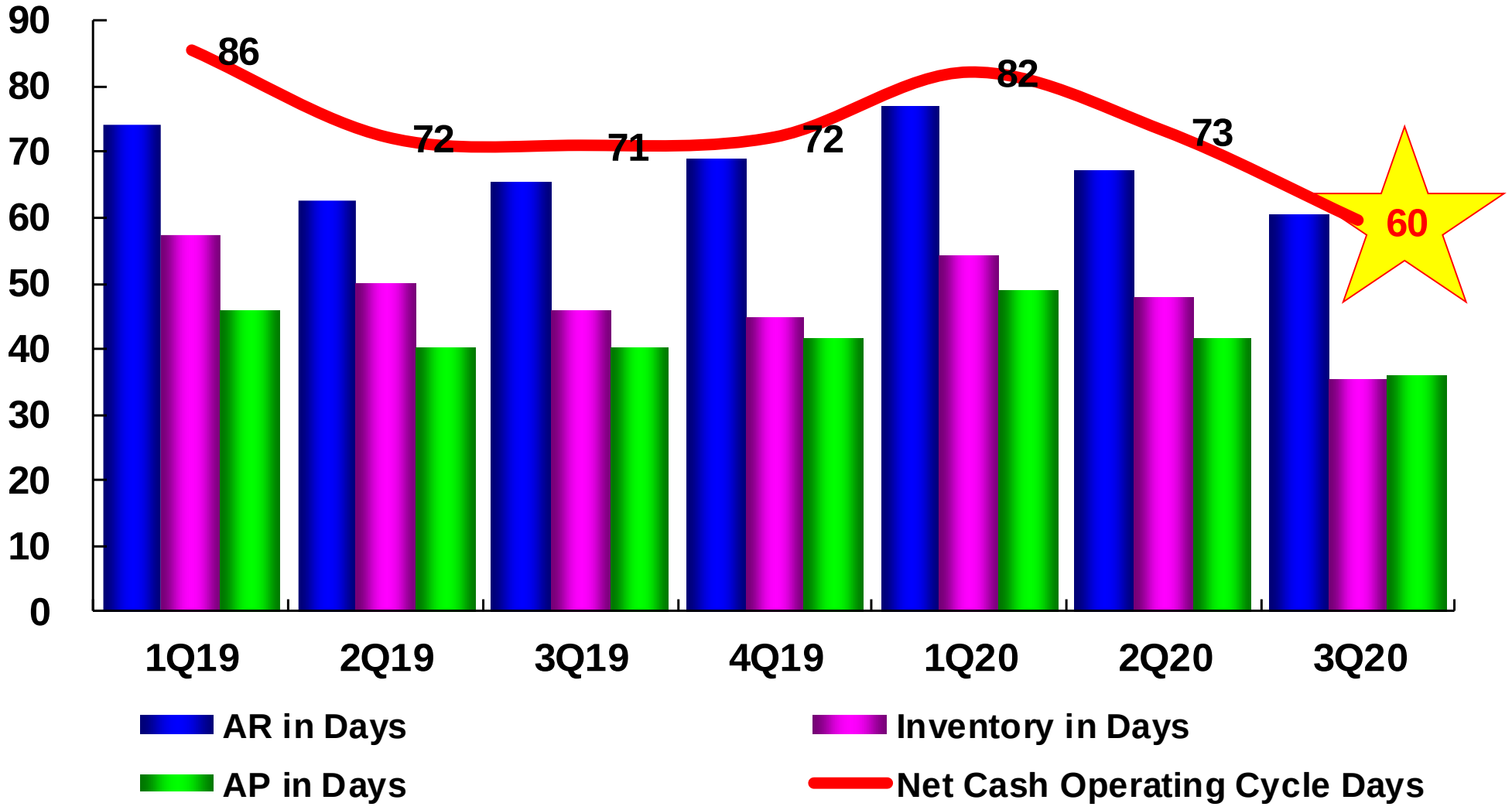
Note：Annualized

ROE vs. EPS



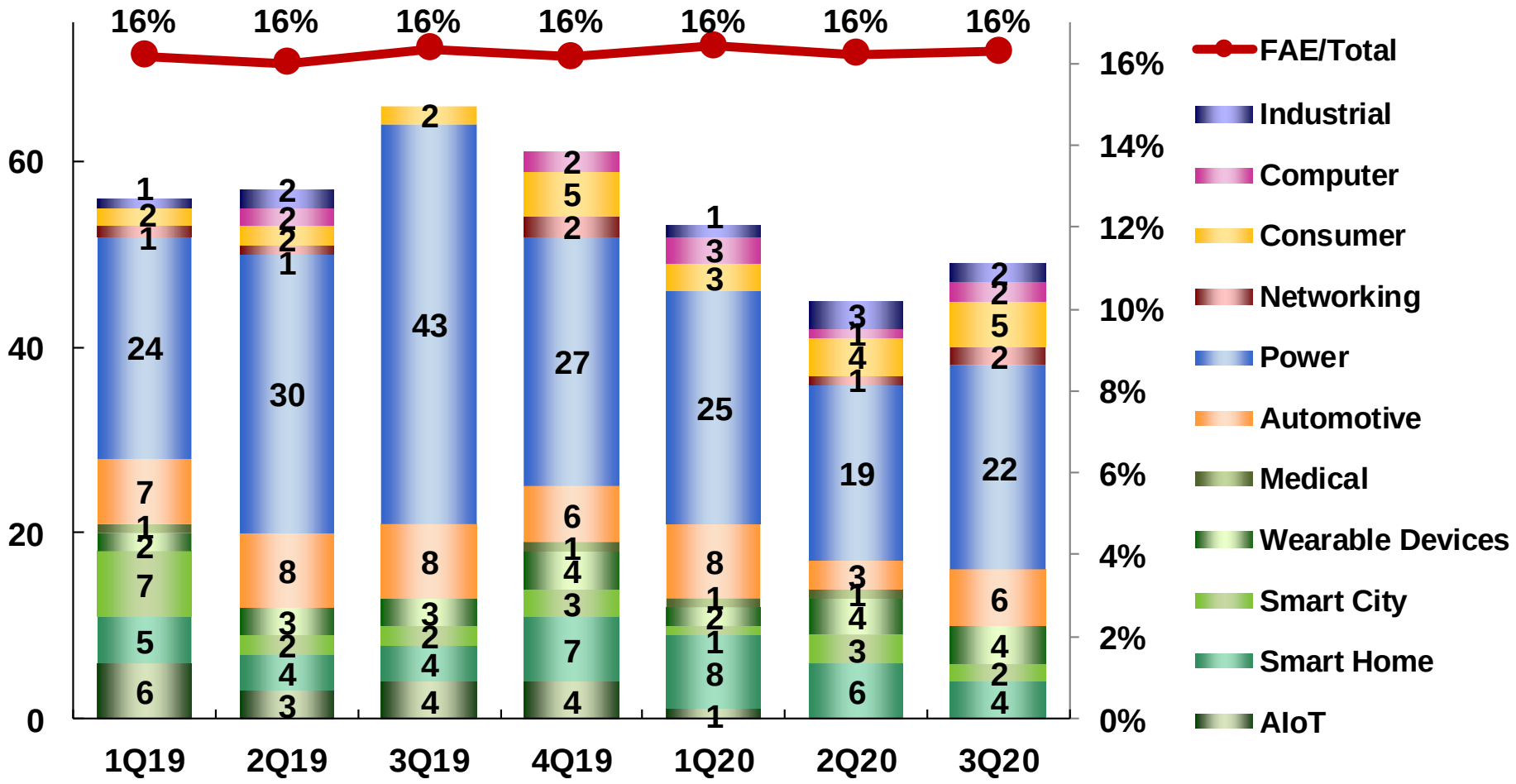
Note：Annualized

Operating Cash Cycle



Note：Annualized

More Solutions Launched



https://www.wpgdadatong.com/tw

49 Solutions Launched in 3Q20

穿戴裝置

LeakThrough + TWS耳機方案實現	2020-09-17
老人看護手錶解決方案	2020-09-11
TWS藍牙耳機方案	2020-07-22
雙Mic cVc通話降噪+ANC主動降噪TWS Mirroring耳機方案	2020-07-09

智能家居

藍芽5.0 信標方案	2020-09-18
Window 10 IoT 作業系統之單板電腦解決方案	2020-08-11
藍芽5.0 MESH燈控方案	2020-07-31
智慧酒店觸控面板方案	2020-07-28

智慧城市

AI晶片SV806智能人臉識別考勤機方案	2020-09-25
低功耗Gateway方案	2020-07-24

電腦及周邊

2.4GHz 無線光學滑鼠方案	2020-08-06
有線機械鍵盤方案	2020-08-04

車載娛樂

音訊連接器設計	2020-09-28

車身安全

車用攝像頭解決方案	2020-09-07
電動助力轉向系統(EPS)方案	2020-07-02

車聯網

車內網關解決方案	2020-09-02
電動車NFC讀卡方案	2020-08-13

車身電子

電動汽車電池管理(BMS)系統方案	2020-07-27

工業類

12G UHD-SDI之速率轉換器方案	2020-09-21
電動工具 BMS 方案	2020-07-21

Universal Debugger Solution

Elderly Care Watch Solution

Electric Vehicle NFC Card Reader Solution

Electric Car BMS Solution

Electric Tools BMS Solution

49 Solutions Launched in 3Q20

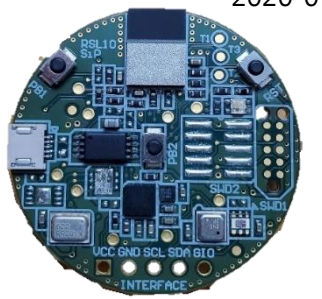
消費電源

Vcore方案	2020-09-29
豆漿機輔助電源方案	2020-09-24
19V/4.75A 90W高效能超低功耗Notebook適配器電源解決方案	2020-09-22
BLDC低壓吸塵器驅動方案	2020-09-09
275W之電源供應器方案	2020-08-31
90W PD3.0 Dual Type-C Charger方案	2020-08-26
掃地機器人邊刷方案	2020-08-20
45W Type-C Power Delivery 3.0充電器方案	2020-08-17
240W PC Adapter Power解決方案	2020-07-23
鋰電池大電流快速充電方案	2020-07-17
自動功率調節之適配器方案	2020-07-16
Guage 電量計之 TWS無線藍芽耳機方案	2020-07-15
45W USB PD Type-C Adaptor方案	2020-07-13
18W傳統電源適配器方案	2020-07-03
掃地機機器人應用方案	2020-07-01

照明電源

經濟型高功率因數40W LED照明電源方案	2020-09-04
高功率因數35W flyback LED照明電源方案	2020-07-30
隔離式LED照明方案	2020-07-08

45W Type-C Power Delivery 3.0 Charger Solution



Bluetooth 5.0 Beacons Solution

通訊電源

高轉換效率之5G基地台應用	2020-07-20
LNB/LNBF 10W電源方案	2020-07-14

工業電源

350W無橋功因數位電源方案	2020-08-24

汽車電源

BMS均衡方案	2020-07-06

消費類

網紅音訊直播設備的設計方案	2020-09-30
碼錶方案	2020-09-16
TV 電視 / 藍芽音箱 DSP方案設計	2020-09-14
高解析度人機介面方案	2020-07-29
掃碼槍行業應用方案	2020-07-10

通訊類

通用型調試器方案	2020-08-28
5G射頻解決方案	2020-07-07

35W flyback LED lighting Solution

Notebook Adapter Power Solution

Recap of Recent Major Events

- **WPG Has Acquired 10.11% Common Shares of T3EX Global Holdings (2020/07)**
- **WPG Has Moved to 22F., No. 189, Jingmao 2nd Rd., Nangang Dist., Taipei City. from November 23rd. 2020 (2020/11/10)**

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